

# PRESS RELEASE

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## For Immediate Release

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## Contact Person

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Assistant U.S. Attorney

Madison, Wisconsin -- Erik C. Peterson, United States Attorney for the Western District of Wisconsin, announced that Elizabeth Macapugay, 47, Madison, and Godofredo Macapugay, 45, Madison, were sentenced today by U.S. District Judge Barbara B. Crabb for income tax evasion. Godofredo Macapugay received a sentence of 12 months plus one day of imprisonment. Elizabeth Macapugay received a sentence of three years probation. Both defendants were ordered to cooperate with the Internal Revenue Service in computing and paying their unpaid income taxes.

On July 21, 2008, Elizabeth Macapugay pleaded guilty to a one-count information that charged her with filing a Form 1040 for tax year 2002 that substantially underreported her joint income with her husband, Godofredo Macapugay. On August 7, 2008, Godofredo Macapugay pleaded guilty to filing a false Form 1040 for tax year 2004 that substantially underreported his joint income with his wife. According to the government, the Macapugays underreported income earned from Godofredo's business (Midwest Heating and Air Conditioning) for the tax years 2001 through 2004. The defendants underreported a total of \$367,918 in income and evaded \$110,067 in income taxes.

At today's sentencing hearing for Elizabeth Macapugay, Judge Crabb that she was very troubled by Ms. Macapugay's conduct. The judge noted that Ms. Macapugay was a smart women, with a background in accounting, who knew exactly how much money her husband was making in the business, but intentionally failed to report those numbers to their tax return preparer. Judge Crabb explained that she had no tolerance for this kind of behavior. However, given that Mr. Macapugay was already incarcerated and facing certain deportation, and there were no other close relatives in the United States to take care of their two minor children, the judge ordered a probation sentence for Ms. Macapugay.

At Mr. Macapugay's sentencing, Judge Crabb explained to Godofredo that as an illegal alien who came to this country and built up a successful business, he had an obligation to pay his income taxes. The judge noted, "You enjoyed our benefits but you did not pay your fair share. That's just not right. That's why we have tax laws. You are no different from anyone else."

The charges against the Macapugays were the result of an investigation conducted by the Internal Revenue Service, Criminal Investigation Division. The prosecution of the case has been handled by Assistant U.S. Attorney Daniel J. Graber.

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